

**MINUTES**

**California Pollution Control Financing Authority  
State Capitol  
Senate Hearing Room 4203  
Sacramento, CA  
December 15, 2010**

**1. CALL TO ORDER & ROLL CALL**

Bettina Redway, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:51 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer  
Cindy Aronberg for John Chiang, State Controller  
Cynthia Bryant, Director, Department of Finance

Staff Present: Michael Paparian, Executive Director  
Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum

**2. MINUTES**

Ms. Redway asked if there were any questions or comments concerning the November 17, 2010 meeting minutes. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the minutes; upon a second, the minutes were unanimously approved.

**3. EXECUTIVE DIRECTOR'S REPORT**

Mr. Paparian said he had two promotions to report. Jason Bradley is the new manager of the California Recycle Underutilized Sites (CALReUSE) Program. Mr. Bradley replaced Deana Carrillo, who was recently promoted to a position at the California Alternative Energy and Advanced Transportation Financing Authority. He has been handling bond compliance and related issues for CPCFA. In his new role, he will be completing an evaluation of the CALReUSE Site Assessment Program and continuing to implement the Prop. 1C Brownfields Cleanup Program.

Doreen Smith is the new manager of the Bond program. Ms. Smith replaced Patricia Tanous, who was recently promoted to a more senior management position at CPCFA. She has been working on bond transactions for the past several years. In her new role, she will be

overseeing and expanding the Bond program, and helping to improve CPCFA's outreach to potential applicants.

Mr. Paparian reported that, by the end of 2010, CPCFA expects to have issued about \$560 million in bonds for the year. Given the tough economic climate, staff is very pleased about this. Looking forward to 2011, staff is aware of about \$600 million in projects that expect to close in the first half of the new year.

Mr. Paparian said that staff is continuing to work on expansion of the California Capital Access Program (CalCAP) to utilize new state and federal funds. Staff has contacted over 100 potential new lenders, financial organizations and small business assistance groups while trying to broaden the availability of funds. CalCAP has seven new lenders signed up, or in the process of signing up, and expects several more over the next few weeks as the program moves towards its goal of doubling its participating lenders from 50 to 100 in the next few months. The program is already seeing an uptick in loan enrollments, with over seventy new loans enrolled in the past month.

**4. BUSINESS ITEMS**

**A. RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY DELEGATING CERTAIN POWERS AND AUTHORIZING CERTAIN ACTIONS RELATING TO BOND FINANCINGS**

Presented by: Patricia Tanous, Program Manager

Staff requested Board approval of a resolution authorizing delegation authority to the Executive Director and Deputy Executive Director of CPCFA for certain routine matters with respect to the Authority's bond program.

AB 1479, chaptered August 4, 2008, allows that, "The authority may, by resolution, delegate to one or more of its members, its executive director, or any other official or employee of the authority any powers and duties that it may deem proper, including, but not limited to, the power to enter into contracts on behalf of the authority."

The current recommended resolution differs from the prior delegation resolution by delegating some additional powers related to redemption, prepayment and defeasance of bonds, and permitting responses to audits, investigations and other reviews, in addition to litigation, and other minor changes.

Ms. Redway asked if there were any questions or comments from the Board or public.

Ms. Aronberg asked for an explanation about reporting audits, litigations, and investigations to the Board.

Ms. Tanous responded that, as in the past, the Executive Director or Deputy Executive Director, will report to the Board at the next Board Meeting any items that have been approved utilizing their delegation authority.

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Ms. Redway added that she assumes sooner if staff deems it appropriate.

Ms. Tanous responded in the affirmative.

Ms. Redway asked if there were any further comments from the Board, or the public. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

**B. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR, IN THE EXECUTIVE DIRECTOR'S ABSENCE, TO EXECUTE CONTRACTS AND INTERAGENCY AGREEMENTS NOT TO EXCEED \$300,000**

Presented by: Dona Yee, Analyst

CPCFA is authorized by statute to enter into contracts and interagency agreements. For contracts and interagency agreements at or below a certain dollar amount, the Authority has historically delegated this authorization to the Executive Director and in his absence, the Deputy Executive Director to enter contracts on behalf of the Authority. This item requests delegation authority for the newly appointed Deputy Executive Director to execute contracts and interagency agreements for amounts up to \$300,000.

Ms. Redway asked if there were any questions or comments from the Board or public.

Ms. Aronberg again asked for the record about reporting delegation usage to the Board.

Ms. Wahl responded that the Executive Director and the Deputy Executive Director will report to the Board monthly on any contracts signed over \$10,000.

Ms. Redway asked if there were any further comments from the Board, or the public. There were none.

Ms. Redway asked if there was a motion.

Ms. Aronberg moved approval of the item; upon a second, the item was unanimously approved.

**C. REQUEST TO APPROVE INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS**

**1) Envirepel Energy, Inc.**

Presented by: Samantha Russell, Analyst

Staff introduced Tony Cone of Westhoff, Cone & Holmstedt.

Staff requested approval of an Initial Resolution for an amount not to exceed \$25,000,000 to finance the construction of two renewable energy facilities. The company provides energy services in San Diego County.

Ms. Redway asked if there were any questions or comments from the Board or public. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

**D. REQUEST TO APPROVE FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS, SMALL BUSINESS ASSISTANCE FUND (SBAF) COSTS OF ISSUANCE ASSISTANCE, AND TAX-EXEMPT VOLUME CAP ALLOCATION**

**1) Big Bear Disposal, Inc.**

Presented by: Samantha Russell, Analyst

Staff introduced Tony Cone of Westhoff, Cone & Holmstedt.

Staff requested approval of a Final Resolution and Volume Cap Allocation Resolution for an amount not to exceed \$4,850,000 and a Small Business Assistance Fund Resolution not to exceed \$207,600 to finance and/or refinance construction and renovation activities for a material recycling facility on a leased site in Big Bear City. The company anticipates pollution control, water and air quality benefits along with job creation.

Ms. Redway asked if there were any questions or comments from the Board or public. There were none.

Ms. Redway asked if there was a motion.

Ms. Aronberg moved approval of the item; upon a second, the item was unanimously approved.

**E. REQUEST TO APPROVE AMENDMENT OF TAX-EXEMPT VOLUME CAP ALLOCATION RESOLUTION**

**1) BioFuels Energy, LLC**

Presented by: Doreen Smith, Program Manager

BioFuels Energy, LLC and/or its Affiliates received \$14,800,000 in allocation from the CPCFA board on June 23, 2010. The company issued bonds for \$11,910,000 of the \$14,800,000 allocated. The bond amount issued was reduced because a larger

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portion of the project than anticipated qualified for equity financing, and therefore capitalized interest and a portion of the costs of issuance were not funded from bond proceeds.

CPCFA is bound by the State's allocation rules when it accepts allocation from the California Debt Limit Allocation Committee (CDLAC). Pursuant to CDLAC's statute, the performance deposit of an applicant must be forfeited in proportion to the amount of allocation awarded but not actually issued. CPCFA staff consulted with CDLAC and determined that to avoid a forfeit, staff recommends amending the current Volume Cap Allocation Resolution for the Company to reflect the actual amount used—\$11,910,000.

Ms. Redway asked if there were any questions or comments from the Board or public. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

### **F. REQUEST BOARD TO AUTHORIZE STAFF TO APPLY FOR AND ACCEPT FUNDS FROM UNITED STATES DEPARTMENT OF THE TREASURY FOR THE CALIFORNIA CAPITAL ACCESS PROGRAM (CALCAP)**

Presented by: Patricia Tanous, Program Manager

The United States Treasury has allocated \$168.8 million to California for assisting small businesses. CPCFA staff is requesting Board approval to apply to the United States Treasury for up to \$168.8 million dollars. Staff is working with the Business, Housing and Transportation Agency on a joint application to equally split California's allocation.

Ms. Redway asked if there were any questions or comments from the Board or public. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

### **5. PUBLIC COMMENT**

Ms. Redway asked if there were any comments from the public. There were none.

### **6. ADJOURNMENT**

There being no further business, public comments, or concerns, the meeting adjourned at 11:05 a.m.

**Respectfully submitted**

Michael Paparian  
Executive Director